



**Two Great Companies,  
One Exciting Future**

**Strategic Vision**

July 24, 2006



# Safe Harbor Statement

This document contains forward-looking statements, which are made pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as “would,” “may,” “will,” “expects,” and other terms with similar meaning. Forward-looking statements are based on current beliefs, assumptions and expectations and speak only as of the date of this document and involve risks and uncertainties that could cause actual results to differ materially from current expectations. The material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: (1) the possibility that there are unexpected delays in obtaining regulatory approvals, (2) failure to obtain approval of ATI shareholders or the court of the Plan of Arrangement, (3) actions that may be taken by the competitors, customers and suppliers of AMD or ATI that may cause the transaction to be delayed or not completed, (4) the possibility that the revenues, cost savings, growth prospects and any or other synergies expected from the proposed transaction may not be fully realized or may take longer to realize than expected, (5) the possibility that the transaction may not be accretive as expected, (6) that the company may not achieve year-end or longer-term targeted gross margins, research and development expenses, selling, general or administrative expenses, operating margins, capital structure or debt-to-capitalization, (7) that Intel Corporation's pricing, marketing programs, product bundling, new product introductions or other activities will negatively impact sales, (8) that the company may require additional capital and may not be able to raise sufficient capital, on favorable terms or at all, (9) delays associated with integrating the companies, including employees and operations, after the transaction is completed, (10) the possible impairment of goodwill and other long-lived assets resulting from the transaction and the resulting impact on the combined company's assets and earnings, (11) unexpected variations in market growth and demand for the combined company's products (in the mixes available) and technologies, (12) rapid and frequent technology changes in the computing and consumer electronics segments, (13) potential constraints on the ability to develop, launch and ramp new products on a timely basis, (14) R&D costs associated with the development of new products, and (15) other factors that may affect future results of the combined company described in the section entitled “Risk Factors” in the management information circular to be mailed to ATI's shareholders and in AMD and ATI's filings with the U.S. Securities and Exchange Commission (“SEC”) that are available on the SEC's web site located at <http://www.sec.gov>, including the section entitled “Risk Factors” in AMD's Form 10-Q for the fiscal quarter ended March 26, 2006 and the section entitled “Risks and Uncertainties” in Exhibit 1 to ATI's Form 40-F for the fiscal year ended August 31, 2005. Please see Item 3.12 “Narrative Description of the Business – Risks and Uncertainties” in ATI's 2005 Annual Information Form and the Risks and Uncertainties section of ATI's annual MD&A on page 30 of ATI's 2005 Annual report filed on the SEDAR website maintained by the Canadian Securities Administrators at <http://www.sedar.com>. Readers are strongly urged to read the full cautionary statements contained in those materials. We assume no obligation to update or revise any forward-looking statement, including any financial targets or projections, whether as a result of new information, future events or any other reason.

## **Additional Information**

In connection with the proposed transaction, ATI intends to file a management proxy circular with the Canadian securities regulatory authorities. Investors and security holders are urged to read the management proxy circular when it becomes available because it will contain important information about AMD, ATI and the transaction. Investors and security holders may obtain the management proxy circular free of charge at the website of the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) maintained by the Canadian Securities Administrators at <http://www.sedar.com>. Investors and security holders may obtain any documents relating to the transaction filed by AMD with the SEC free of charge at the SEC's website located at <http://www.sec.gov>.



# Introducing AMD + ATI



## **Growth**

- Aim to reinvent our industry as the customer-centric technology leader and partner of choice
- Ready to win business in commercial and mobile computing and rapidly-growing consumer electronics segments

## **Innovation**

- Deliver new customer-centric, open platforms in 2007
- Aim to transform processing technology in 2008 and beyond

## **Choice**

- Empower our customers to create their own differentiated value propositions in an increasingly commoditized world
- Advance an open-innovation ecosystem in competitive markets



# The World is Converging... And Customers Will Ask



## How can we achieve...

- Simplicity?
- Performance?
- Digitization?
- Global reach?

## How can AMD...

- Make products better?
- Make them work together better?
- Re-invent them entirely?

## How can we create...

- Solutions and features that haven't existed before?

## Our Answer: A Processing Powerhouse



**Growth**



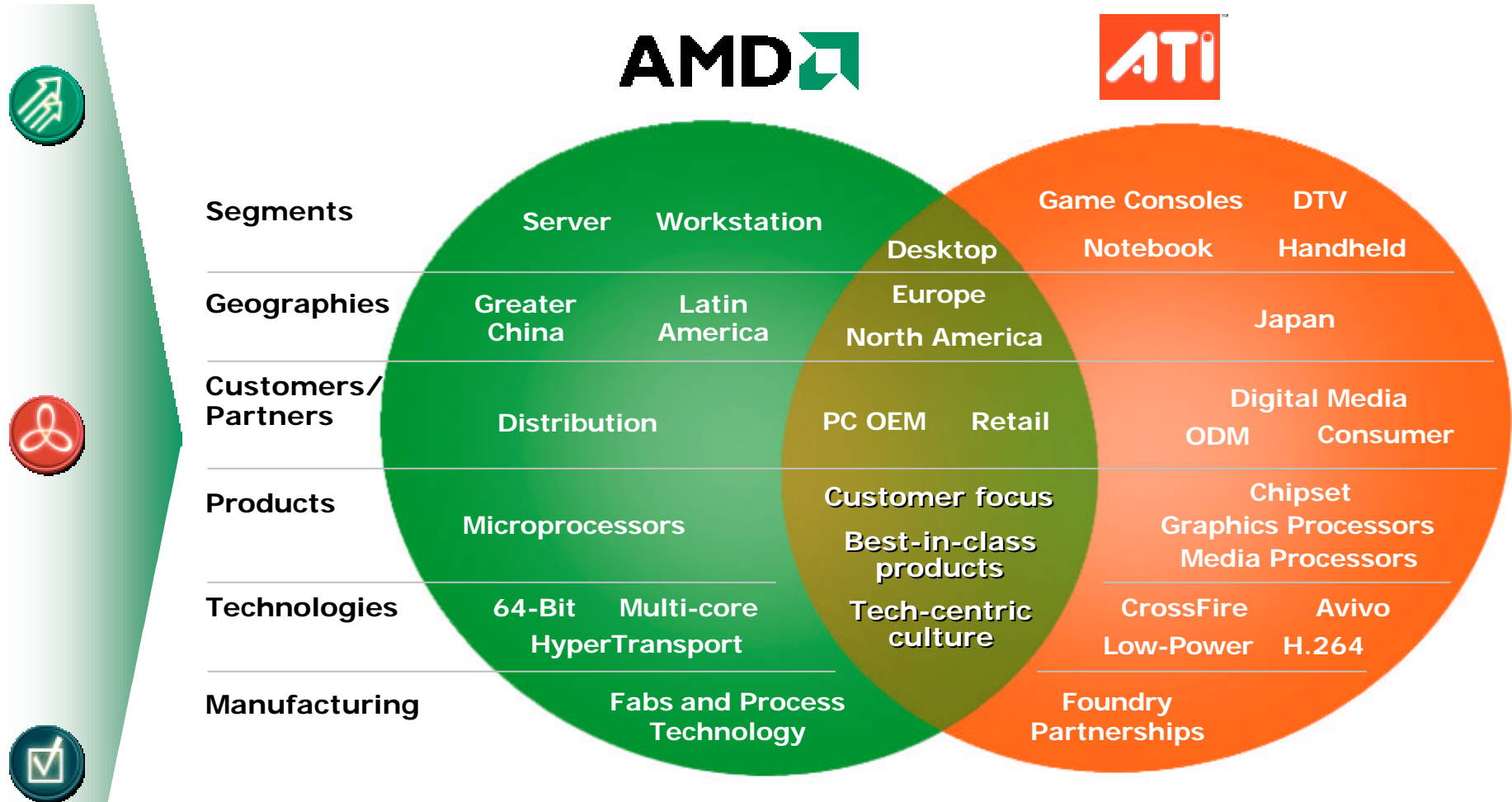
**Innovation**



**Choice**



# Our Answer: Common and Complementary Strengths



*Blending world-class knowledge, cultures and people*

ATI

AMD

## Our Answer: Partner of Choice



*Strongly positioned as strategic supplier  
in computing and consumer electronics*

**ATI**


**AMD**

## Growth: Computing Platform Capability Accelerates Delivery to Market



- Computing platforms accelerate and expand our MPU growth strategy
- Particularly in the \$17 billion notebook and commercial client segments
- Building on AMD processor-based server gains and ATI mobile chipset and graphics leadership

	Opportunity		Total
	Consumer/ SOHO	Commercial/ Gov, Edu.	
Desktop	\$10.4B	\$7.3B	\$17.7B
Mobile	\$5.4B	\$4.0B	\$9.4B
Server		\$4.5B	\$4.5B
GPU/ Chipsets	\$4.5B	\$4.3B	\$8.8B
Total	\$20.3B	\$20.1B	\$40.4B

 **AMD Comparative Strengths**  
\$14.9B TAM\*  
<25% Share









 **AMD Growth Opportunities**  
\$16.7B TAM\*  
<15% share

\* Source: AMD, ATI,  
2005 full year TAM



# Growth: Digital Consumer Opportunities



<u>Segment</u>	<u>Position</u>	<u>Potential Market Unit Growth Rate*</u>	<u>Historical Gross Margin</u>
<b>Digital TV</b> 	<b>#1 front-end Hi-def DTV ICs</b>	<b>59%</b>	<b>~50%</b>
<b>Multimedia Handsets</b> 	   <b>MOTOROLA</b>	<b>26%</b>	<b>~40%</b>
<b>Game Consoles</b> 	 <b>Microsoft</b> 	<b>15%</b>	<b>Royalty</b>

**Create and deliver content on any device, anywhere, anytime**



\* Sources: Handheld: In-Stat: The Big Trends For Cell Phones, 2006-2011; Game Console: In-Stat: Video Game Consoles 2006; LCD TV: DisplaySearch Q2'06



# Innovation: Delivering Customer-Centric, Open PC Platform Strategy in 2007

## Commercial Client

- Stable image for the enterprise
- Best platform support for Windows Vista™



## Gaming & Media Computing

- Best-in-class Windows® Media Center platform experience



## Mobile Computing

- Longer battery life for AMD Turion™ 64 platform
- Optimized graphics and media processing solutions for better time-to-market for OEMs



## Emerging Markets

- Development of integrated CPU-GPU
- Accelerated new business and deployment models

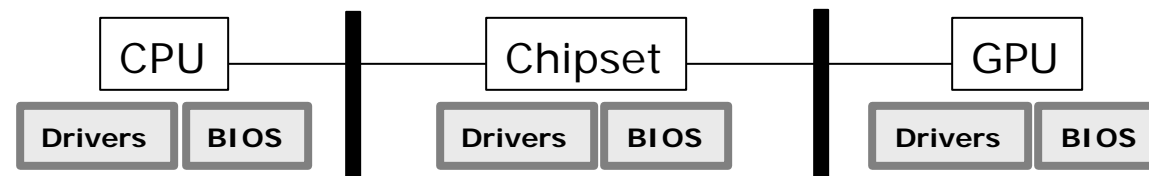


*Along with best-of-breed discrete CPU, GPU and chipsets*

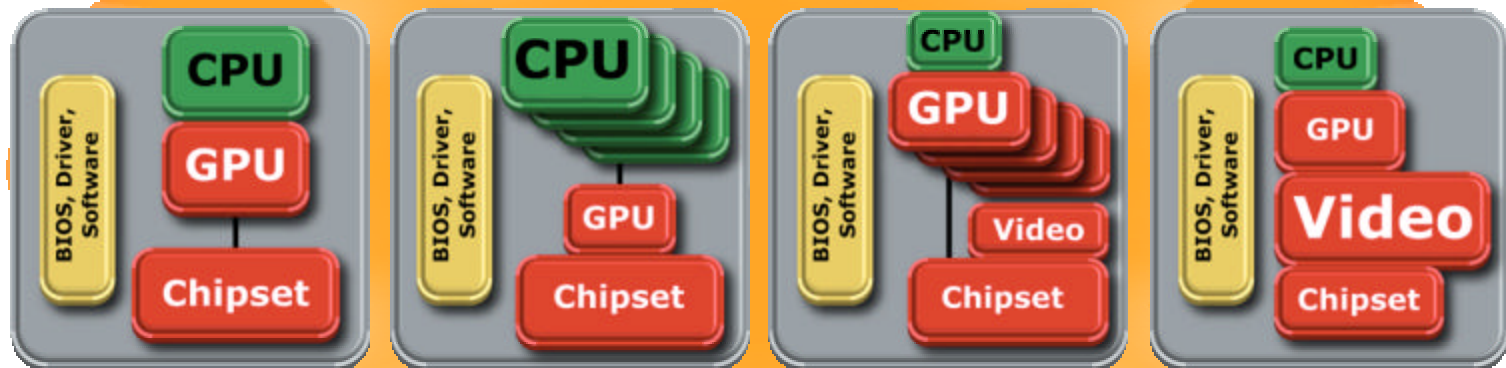


# Innovation: Aim to Transform Processing Technology in 2008 and Beyond

Combine our key building blocks with a unified development effort to create specialized solutions that our customers seek



## Platforms



General Purpose

Data Centric

Graphics Centric

Media Centric



# Innovation: Consumer Electronics

- Accelerating multimedia adoption on handhelds
  - Support TV, video, photography, music, 3D graphics and more
- Drive features and image quality for LCD and plasma TVs
  - Enhance digital TV at affordable price points for the best home theatre experience



ATI

AMD

# Choice: Empowering our Customers' Success

## We are ready for success

We will:

- Support our customers and industry partners' ability to choose what is best for them
- Continue to fight for open markets, an open innovation ecosystem and open standards
- Strive to build innovative platforms and leading-edge products across all categories of computing and consumer electronics
- Work with industry partners to create differentiated solutions that help our customers win



## Strong Leadership for Growth, Innovation and Choice

Dave Orton will run the ATI business unit reporting to the Office of the CEO: Hector Ruiz and Dirk Meyer  
Henri Richard, Chief Sales and Marketing Officer; Rick Hegberg will oversee combined worldwide sales

Finance will report to CFO Bob Rivet and Administration to CAO Tom McCoy

Highly focused integration effort, managed by Dave Orton, Dirk Meyer and Bob Rivet

**Integrated management team focused on execution**



Hector Ruiz



Dirk Meyer



Dave Orton



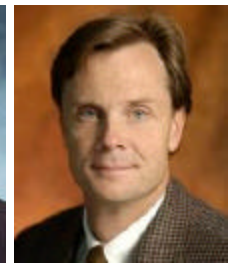
Bob Rivet



Henri Richard



Tom McCoy



Rick Hegberg





# Transaction Summary



## Growth

- Acquisition of ATI for approximately US \$5.4Bn
- Consideration: \$4.2Bn cash, approx. 57MM AMD shares of common stock, and approx. 11MM AMD options and RSUs\*

- 0.2229 fixed exchange ratio on stock portion

*ATI shareholders to own approximately 10% of AMD\**

*Cash portion funded with \$1.7Bn from the combined balance sheets and \$2.5Bn of fully committed debt financing*



## Innovation

- Transaction expected to close in Q4 2006

- Subject to ATI shareholder vote, court approval and regulatory approvals, including merger review in the U.S. and other jurisdictions, and customary closing conditions



## Choice

\* Based on AMD's closing stock price and ATI's outstanding common stock on July 21, 2006.



# Strategic Summary



## **Growth**

Win in competitively open markets for computing and consumer electronics



## **Innovation**

Deliver customer-centric platforms in 2007, then aim to transform processing technologies in 2008 and beyond



## **Choice**

Empower our customers and industry partners to choose what is best for them in an open-innovation ecosystem

